



**STATEMENT OF  
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**BEFORE THE  
Senate Armed Services Committee Personnel Subcommittee**

**WITH RESPECT TO  
Military Personnel Posture**

**WASHINGTON, DC**

**MARCH 8, 2016**

Chairman Graham, Ranking Member Gillibrand, members of the Senate Armed Services Personnel Subcommittee, thank you for the opportunity for the Veterans of Foreign Wars of the United States to address our issues and concerns regarding today's Military Personnel Posture.

In the invitation to testify, the committee asked for the VFW's views about the Defense Department's FY 2017 personnel program budget and legislative submissions as they apply to quality of life/service programs for troops and families, Force of the Future proposals, healthcare reform, recruiting and retention, suicide prevention/response, sexual assault prevention/response, and each military service's current state of readiness.

I will begin with the last one first.

America's military has been in a nonstop fight for almost 15 years. Our troops, their families and the services have endured multiple deployments, the challenge of recruiting and retaining quality personnel during the boom years and morale-busting pink slips during the bad. They have won every battle and achieved every objective, and they did so with an All-Volunteer Force that on Monday, September 10, 2001, no one would have thought capable of doing so without reinstating the draft.

Now, despite all their successes, the troops no longer believe Washington has their backs. This is because beneath all the "Support the Troops" rhetoric are real Pentagon and/or Congressional plans to slow the growth in compensation and pension and quality of life programs.

The VFW's expertise isn't hardware. Our expertise is in the software side of the military, the people, who are unarguably the most powerful weapons system in our nation's inventory, yet the

**NO ONE DOES MORE FOR VETERANS.**

“Slow the Growth” mantra is having a very real impact on morale — and morale has a direct impact on readiness.

The VFW knows that the federal budget is finite, and of the military’s three main funding accounts — Personnel, Operations & Maintenance, and Modernization — it’s the Personnel account that can be tapped the quickest. But it’s also the one that directly hurts our greatest weapons system the most. And their families.

The troops are concerned. They are concerned about the size of the force and whether there will be a place for them should they decide to make the military a career. They are concerned about quality of life programs, their families, and the future of their Post-9/11 GI Bill, as well as its transferability provision. And their leaders are very concerned about uncertain budgets and the possible return of mandatory sequestration. The two-year budget deal provides some stability, but everyone knows that sequestration is still the law of the land afterwards. Forcing the military to downsize while still asking it to fight is the disconnect that exists between Washington and the military.

The troops are also concerned that many elected and appointed leaders in Washington just don’t understand today’s military, or the fact that their operational tempos have not slowed down, or that they are continually tasked to do more with less. Our military has and will accomplish every objective, but there’s a rift in the force that impacts troop and family morale, and that has a direct impact on readiness. In an All-Volunteer Force, no troops equals no military. It’s that simple.

## **SEQUESTRATION**

This is the most educated military to have ever served. As such, they are much more aware of the environments in which they serve. Whether a blessing or a curse, 24-hour network news and social media bombards them with the cause and effect of every action and decision made. That’s why the continued existence of sequestration is such a sore point. Virtually every senior Pentagon leader has repeatedly testified that sequestration is the most significant military readiness and national security threat of the 21st century. And despite almost universal Congressional opposition to it, no member has yet introduced any legislation to eliminate it.

Mandatory sequestration began in the second half of FY 2013 and the immediate impact on the non-deployed military was devastating. Aircraft were grounded, ships stayed in port, scheduled ground troop training was cancelled, and DOD civilians were furloughed. DOD squeezed every dollar they could stateside to ensure our combat forces in Afghanistan would not be impacted. But instead of eliminating what it created, Congress put a two-year delay on sequestration, which expired last fiscal year. Congress then passed a two-year budget deal which may bring some budget stability to the Pentagon, but only by kicking the sequestration can to the next administration.

The effect mandatory sequestration will have on recruiting and retention, when combined with better job opportunities in a healthy civilian market, could jeopardize the continued viability of the All-Volunteer Force.

Sequestration hurts the Defense Department the hardest, since its budget represents about 50 percent of the federal government's annual discretionary spending. But the unknown is what effect a continued sequester would have on the other federal agencies that support veterans, most notably the Department of Veterans Affairs, which is responsible for the final leg of the military personnel system triad (input, throughput, output). The VA has so far been exempt, but that doesn't prevent future budget requests from being less than the need. Also at risk is reduced Department of Labor-VETS services for veterans seeking employment, as well as the number and size of housing grants that the Department of Housing and Urban Development might have available for homeless veterans.

Congress must re-evaluate federal spending caps and permanently eliminate sequestration to ensure our government has the resources needed to fully care for our veterans and defend our nation from those who wish us harm.

## **FORCE OF THE FUTURE**

There is no more important government responsibility than to provide for the security and integrity of the nation. As such, having a military is required by the United States Constitution, but serving in uniform is not, therefore any attempt to change any standards must first and foremost consider what the change brings to the fight.

Seventy-five percent of American males age 18-25 are unfit for military service due to aptitude, health, and physical fitness reasons, as well as criminal records. The All-Volunteer Force has exceeded all expectations for 43 years because standards have for the most part been maintained.

Longer maternity leaves, intra-service breaks and extended duty location assignments are command decisions. Lowering standards, however, is different. The VFW acknowledges that the military needs cyber warriors and many others with high tech talents, but we caution whether standards should be lowered to recruit them, because then it becomes a morale issue. For example, not every Marine can max out their physical fitness test by running 3 miles in 18 minutes, but every Marine is still a rifleman, just as every sailor is also a fireman. This is what the military demands of its members. There can be no exemptions to wearing the uniform.

## **QUALITY OF LIFE**

**Military Pay:** Congress erased the double-digit pay gap of the 1990s by directing military pay raises from FY 2000-2006 to be a half-percent above private-sector wage increases, as measured by the Employment Cost Index (ECI), and raises from FY 2007-forward to match the ECI, although more could be authorized.

The 1.7 percent military pay raise for FY 2013 matched the ECI, but the Department of Defense — in its continuing campaign to slow the growth of military compensation due to budget constraints and the sequester — recommended that future pay increases be limited, despite knowing it could lead to another pay gap similar to the past.

Over the objections of the VFW but with the approval of Congress, the “Slow the Growth” initiative resulted in military pay raises of 1 percent in FY 2014 and 2015, and 1.3 percent in FY 2016, with the cumulative result being 2.6 percent less than the ECI for the three-year period. And the 1.6 percent raise requested for FY 2017 will be at least a full half point less than the expected private sector growth.

Changes to military pay and benefits are the top concerns of military service members and their families, as reflected in annual Blue Star Families surveys. Continued efforts to slow the growth of military compensation, combined with a better civilian jobs market, could directly impact recruiting and retention, which is why the VFW calls on Congress to maintain military base pay comparability with private-sector wages by matching annual military pay raise percentages to annual ECI increases.

**Tricare Fee Increases:** The VFW opposes all new Tricare fees and increases, as well as the dismantling and renaming of Tricare Prime and Standard/Extra just to circumvent the current law, which indexes any Tricare enrollment fee increases to annual Cost-of-Living Adjustments, as determined by the Consumer Price Index. Military retirees saw no COLA increase in their January 2016 paychecks, and no CPI projection validates the Pentagon’s proposed 25-percent enrollment fee increase for Prime, or new \$900 fee for Standard/Extra.

If DOD wants to reform its healthcare programs, then DOD should first eliminate its institutional inefficiencies, such as merging all three military medical commands into one joint command. Only then might military retirees entertain higher fees.

Caring for those who sacrifice to defend us is not cheap, and neither is the upfront, personal investment someone makes to voluntarily commit to a full military career. Any real or perceived erosion of benefits for career-minded personnel could undermine long-term retention, which could have a direct impact on the availability of quality leadership in the senior ranks.

The Pentagon’s proposal does maximize the use of Military Treatment Facilities (MTFs) as a provider of choice, and incentivizes all beneficiaries to use the Tricare prescription home delivery program. But maximizing MTF utilization can be done without raising or creating retiree enrollment and usage fees. The proposed pharmacy copayment increases are again an incentive for beneficiaries to consider using the mail-order delivery program, but the creation and/or doubling of copayments over the next 10 years needs to be communicated to all beneficiaries, especially to senior retirees who do live on fixed incomes, and who are required to first enroll in Medicare Part B before being eligible to enroll in Tricare for Life as a secondary insurer. And, as every senior retiree knows, enrolling in Medicare Part B comes with a minimum premium of \$121.80 per month, per eligible person.

## **PREVENTION & RESPONSE**

**Suicides:** The reported veteran and military suicide rate of 22 a day is a nationwide crisis with possibly no solution, because the world’s best prevention and help programs still require someone to first ask for help. During the height of Operations Enduring Freedom and Iraqi

Freedom, half of all military suicides came from Reserve Component, though they only accounted for a quarter of ground forces — and many had never deployed.

The great majority of VFW members are not trained mental health counselors, but all VFW members share a common experience that belongs to all generations who have served in harm's way. Our families, too. What the VFW offers most is relevance, a handshake, pat on the back, and a sympathetic ear. We must all be cognizant of early warning signs, and be ready to assist when and where needed, and refer to professional help as appropriate.

Suicide among military personnel and veterans presents the most serious challenge to the Military Health System and the nation. The VFW commends DOD for reducing the suicide rate in our armed forces in recent years. Suicides in the military surged to 525 in 2012, meaning there were more suicides among service members than there were combat deaths. In response, DOD aggressively expanded its suicide prevention programs. As a result suicides among service members fell from 525 in 2012 to 474 in 2013 — a 10-percent drop.

However, the VFW is concerned that recent data shows suicides among active duty service members has increased slightly since 2013. We cannot allow military suicides to return to the 2012 level. Congress must do everything it can to ensure DOD provides adequate behavioral health counseling programs, and remains actively engaged in reversing the negative stigma associated with seeking help.

While suicide prevention is critical, the military services must also do more to curb the use of Other-Than-Honorable (OTH) discharges. Super troops don't self-destruct without an underlying reason, be it from their experiences of war, problems at home, sexual trauma, or a variety of other reasons. OTH discharges have a tremendous impact on transition, to the point of veterans not being able to receive VA care or benefits, and not being able to be employed by the federal and many state and local governments. All military commanders must be ordered to take extenuating circumstances into consideration before issuing OTH discharges. Whenever possible, the military needs to return advocates back into the community, not critics.

**Sexual Trauma:** The Defense Department's annual report on Sexual Assault in the Military Services indicated that 5,983 service members reported being sexual assaulted in FY 2014. The VA reported in October 2014 that 25 percent of female veterans and 1 percent of male veterans responded "yes" to a screening question regarding whether they had experienced a Military Sexual Trauma (MST).

It is widely held that a far greater number of MST victims do not come forward while on active duty due to embarrassment, lack of command action when they do file reports, or for fear of personal and/or professional reprisal, to include real or perceived "red flags" in their military personnel folders.

DOD's "Zero Tolerance" campaign has made great strides to encourage prevention efforts and tighten field reporting and managerial oversight, to include providing restricted and unrestricted options for reporting a sexual assault. DOD has begun keeping records that provide evidentiary support of the assault and its effect on service members, and has taken steps to improve the

actions of first responders, as well as to provide confidential counseling and other specialized treatments. Yet many MST victims are not aware of such services, which could help alleviate mental health issues commonly associated with sexual assault. Although the VA does not require MST victims to have first reported an incident or to have a VA disability rating before receiving treatment, more can still be done inside DOD with regards to prevention, treatment and reporting; now, therefore

The VFW urges DOD to continue strengthening its “Zero Tolerance” campaign by encouraging all MST victims to report their attacks, to provide victims with proper medical and mental health care, to aggressively investigate every reported incident, and to punish attackers as appropriate.

## **TRANSITION & RETIREMENT**

**New Military Retirement System:** The new military retirement system will benefit all for their service, not just the 17 percent of service members who currently stay 20 years or longer. This recruiting initiative is needed to attract new generations of qualified enlistees who might otherwise not consider military service because it provides no employer match to portable 401k-style plans that virtually all civilian plans offer.

Beginning in January 1, 2018, the government will automatically contribute 1 percent of base pay to a new enlistee’s Thrift Savings Plan (TSP) account beginning the third month of enlistment, then up to 4 percent more through a government match beginning in Year 3 through 26 years of service, for a total of 5 percent. In its FY 2017 budget request, DOD would increase the government’s contribution to 6 percent total, and extend the match through a member’s career, but the offset would be the government wouldn’t start its match until Year 5.

The VFW supports increasing the government’s total TSP contribution to 6 percent — the 1 percent automatic and up to a 5-percent match — beginning the match at the start of Year 3, and extending the match throughout an individual’s military career.

**Expand Operation Warfighter:** Operation Warfighter is a Department of Defense program that allows wounded, ill and injured service members to intern with other federal departments and agencies while they recuperate or are on medical hold pending discharge or retirement. There is no cost to gaining agencies, as DOD pays each participant’s full military pay and allowances while he or she gains valuable federal civilian work experience for the average 20 hours per week, three-month internship.

The program has placed more than 2,500 recuperating service members with 90 different federal departments and agencies. More important, a third of them were offered fulltime employment after their military discharge or medical retirement. The merits of on-the-job training are proven, yet Operation Warfighter placements are limited to the federal government only, whereas the military’s “Working with Industry” program has for decades temporarily assigned commissioned and noncommissioned officers in a variety of commercial industries around the country, to include Wall Street, the publishing world, and even Google.

The military's "Working with Industry" program established a precedent that Operation Warfighter should follow. The VFW urges the Pentagon to expand internship opportunities to civilian industry as well as the nonprofit community.

**Military Licensing and Credentialing:** Transitioning service members often face significant delays and lost job opportunities because not all states recognize military training and experience as qualifying factors toward occupational licensing, credentialing and/or academic credit. In addition, service members who already hold licenses in good standing from one state might not be able to transfer these licenses to other jurisdictions.

Actions states can take to assist service members with licensing and certification portability are: endorse current licenses if requirements are substantially equivalent to the gaining state; provide credit toward licensure based on military training and experience; and adhere to American Council on Education standards when considering military education, training and experience toward academic credit. States could also authorize probationary employment while the veteran obtains the necessary state licenses and credentials, as well as expedite application procedures.

The military services should also consider training to industry standards, as applicable.

**Military Spouse Licensing and Credentialing Portability:** Every move is tough enough on military families, but it's even tougher on the one-third of working spouses who are in professions that require licenses or certifications.

Actions the states can take to assist military spouses with licensing and certification portability are: endorse current licenses if requirements are substantially equivalent to the gaining state; provide provisional licenses to allow military spouses to work while applying for gaining state licenses; and to expedite application procedures.

Civilian employers love hiring military spouses, even if it's only for a few years. The VFW urges all your individual state legislatures to do all they can to ease the portability of military spouse licenses and credentials.

**Eliminate Concurrent Receipt Offset:** A longtime VFW goal is to eliminate the dollar-for-dollar offset that penalizes military retirees who have VA disability ratings. The FY 2004 National Defense Authorization Act allowed for a 10-year phase-in of full concurrent receipt of military retirement pay and VA disability compensation of those rated 50 percent disabled or higher. The law did not, however, provide the same equity to service-connected disabled military retirees with VA disability ratings of 40 percent or below, or to Chapter 61 retirees who were medically retired with less than 20 years, regardless of VA disability rating. Now is the time to fix this inequity.

**Reform Former Spouses Protection Act:** In 1981, the U.S. Supreme Court ruled in *McCarty vs. McCarty* that military retirement pay is not divisible as community property in divorce proceedings. In 1982, however, Congress adopted the Uniformed Services Former Spouses Protection Act (USFSPA) to circumvent the Supreme Court's decision, thereby allowing military retirement pay to be divided in divorce settlements.

Thousands of military retirees are now under court-ordered garnishment because state courts have ruled military pay to be a property asset, causing military retirees to pay a court-ordered percentage of their retirement pay to former spouses regardless of fault, merit or need, and regardless of whether the former spouse remarries. In addition, certain inequities exist in the USFSPA, especially the “windfall provision,” which grants divorce awards based upon the pay on the date of retirement not on the date of divorce, as well as a provision that requires service members with more than 20 years of service to divide their expected retired pay before their actual retirement date.

The VFW urges Congress to reform the Uniformed Services Former Spouses Protection Act by basing the award amount on the service member’s rank at the time of divorce, not expected rank upon retirement; to not require service members with more than 20 years of service to divide expected retired pay before they actually retire; and to terminate payments if the former spouse remarries.

## **GUARD & RESERVE**

**Education:** The VFW remains firmly committed to protecting the integrity of the Post-9/11 GI Bill, which we view as one of the most significant benefits this nation provides to our newest generation of veterans. However, the way program eligibility is determined needs to be tweaked to better benefit those who serve in a combat theater.

Currently, all veterans who serve 36 months on active duty after 9/11 qualify for the Post-9/11 GI Bill at the 100 percent rate, regardless of where they served. The “36-month active-duty” eligibility requirement, however, is inequitable to combat veterans of the Reserve Component, who have been called up and deployed in unprecedented numbers. Without 36 cumulative months of active service, they would only be eligible for an apportioned amount of the Post-9/11 GI Bill. So it is entirely possible for a Guardsman or Reservist to have completed two one-year tours, or as many as five six-month tours in Iraq or Afghanistan, and still not qualify for 100 percent of the educational benefit named after the era in which they fought.

Title 38 eligibility requirements do not fall under the purview of this committee, but as with many DOD and VA programs, it is another crossover benefit that directly impacts transitioning, which is a prime focus of this committee. As the nation’s largest and oldest major war veterans’ organization, the VFW strongly believes that all veterans who deploy to war should qualify for the Post-9/11 GI Bill at the 100 percent rate.

**Issue DD-214s to All RC Members:** Virtually all veterans are eligible for VA medical care, as well as compensation and pension, if a service-connected wound, illness or injury occurred while on active duty. Eligibility for other VA benefits, however, is based on presenting proof of active military service in the form of a DD Form 214.

According to Title 10, a member of the Guard or Reserve can only receive a DD-214 if they serve at minimum 90 days of continuous active duty, although military service secretaries have the authority to issue the forms for shorter time periods. The Guard and Reserve contributed a



quarter of all ground forces deployed into Iraq and Afghanistan, and half of all Air Force airlift, yet similar to the active force, not every RC member had the opportunity to deploy much less be activated for 90 consecutive days.

The VFW urges Congress to delete the 90-day activation requirement and provide DD-214s to all Reserve Component members who separate or retire under conditions other than dishonorable.

**Correct RC Early Retirement Pay Provisions:** America's reliance on its Reserve Component has been unprecedented in our nation's history. According to the Defense Department, more than 900,000 members of the Guard and Reserve have served on active duty since 9/11, with a third of them serving multiple tours.

RC retirees are eligible to receive military retirement pay at age 60, but in an effort to recognize their service, the FY 2008 National Defense Authorization Act allowed National Guard and Reserve members to lower their retirement pay eligibility age by three months for every 90 days served on active duty, beginning after Jan. 29, 2008.

The authorization did not, however, extend early retirement credit to hundreds of thousands who were activated prior to the implementation date, nor did it include a carryover clause, which meant the credit was only awarded if the minimum 90-day activation period occurred within the same fiscal year. The FY 2015 NDAA amends the earlier language by including a carryover clause for RC members activated after Sept. 30, 2014, but the new law did not extend the carryover provision back to Jan. 29, 2008, or grandfather any early retirement credits back to 9/11. This inequity discounts the dedication and sacrifice of our Reserve Component members serving at home and abroad.

The VFW urges Congress to grandfather all early retirement credits to all Reserve Component members who were activated in support of a contingency operation from 9/11 forward.

## **SURVIVORS**

**Eliminate the SBP-DIC Offset:** A longtime VFW goal is to eliminate the dollar-for-dollar offset that continues to deny more than 60,000 surviving military spouses from concurrently receiving Survivor Benefit Plan (SBP) payments from the Department of Defense, and Dependency and Indemnity Compensation (DIC) payments from the Department of Veterans Affairs.

Similar to life insurance, SBP is purchased by the military retiree and is intended to provide up to 55 percent of his/her retirement pay to a surviving spouse. DIC is a modest indemnity compensation benefit of \$1,254 per month that the VA pays to surviving spouses whose loved ones died from a service-connected wound, illness or injury. Despite the two payments being paid for two different reasons from two different federal departments, all monthly SBP retirement payments are first offset by the \$1,254 DIC payment.

The SBC-DIC offset only exists to save the government money, to prevent the appearance of duplicative monetary benefits, which is perhaps the ultimate insult our government can inflict on surviving spouses. The message this aptly termed “Widow’s Tax” sends to our military men and women and their families is that the United States Government salutes your service while in uniform, but should you die on active duty or from service-connected conditions after retirement, you now cost too much.

Last year the Military Compensation and Retirement Modernization Commission recommended a new SBP program with substantially higher (a fluctuating 11.25 percent) monthly premiums in order to receive full DIC without offset.

The VFW concurs with the Commission’s goal to eliminate the offset, but we disagree with its funding method. The VFW’s position is for the full repeal of the SBP-DIC offset, not to subsidize it out of the pockets of military retirees, who on the top end already sacrifice 6.5 percent of their monthly retirement pay — for 360 consecutive months and reached the age of 70 — just to ensure their surviving spouses will receive 55 percent of their retirement pay.

## **CONCLUSION**

The Veterans of Foreign Wars of the United States thanks the Senate Armed Services Committee and its Personnel Subcommittee for your unfailing support of our men and women in uniform and their families.

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**ABOUT THE VETERANS OF FOREIGN WARS OF THE U.S.:** The VFW is a nonprofit, veterans’ service organization comprised of eligible veterans and military service members from the active, Guard and Reserve forces. Founded in 1899 and chartered by Congress in 1936, the VFW is the nation’s largest organization of war veterans, and its oldest major veterans’ organization. With nearly 1.7 million VFW and Auxiliary members located in more than 6,700 Posts worldwide, the organization is dedicated to veterans’ service, legislative advocacy, and military and community service programs. For more information or to join, visit our website at [www.vfw.org](http://www.vfw.org).

**ABOUT JOSEPH E. DAVIS:** Joe Davis joined the staff of the VFW Washington Office as its Director of Public Affairs in April 2004. His duties include serving as national spokesman for the nearly 1.7 million total-member organization on issues ranging from national security and foreign affairs to the proper care and treatment of veterans, service members and their families. He enlisted in the Air Force in March 1976 and attained the rank of Staff Sergeant when selected to attend Air Force Officer Training School. He would retire in the rank of Major in April 2000 with an overseas deployment history that includes Saudi Arabia and Kuwait, Somalia, and Rwanda. He is a three-time Chief of Public Affairs at Myrtle Beach AFB, S.C., Luke AFB, Ariz., and Hickam AFB, Hawaii; was the Acting Chief of Media for Headquarters, Air Mobility Command, Scott AFB, Ill.; and prior to his military retirement was the Deputy Chief of Public Affairs for the operational arm of what is now the Defense POW/MIA Accounting Agency.